UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b) DUANE MORRIS LLP

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In re:

NATIONAL REALTY INVESTMENT ADVISORS, LLC, et al.

Chapter 11

Case No. 22-14539 (JKS)

Honorable John K. Sherwood

Debtors.

CERTIFICATION OF MICHAEL PRIFTI IN SUPPORT OF BOWER LEWIS THROWER ARCHITECTS, LTD.'S MOTION FOR AN ORDER (A) COMPELLING THE DEBTORS TO IMMEDIATELY ASSUME OR REJECT THE ARCHITECT AGREEMENTS PURSUANT TO 11 U.S.C §§ 105 AND 365, AND (B) GRANTING RELATED RELIEF

I, Michael Prifti, am the Managing Principal of Bower Lewis Thrower Architects, Ltd. (the "BLTA") and I have personal knowledge of the facts stated below. I am authorized to make the following statements in support of BLTA's *Motion For An Order (A) Compelling The Debtors To Immediately Assume Or Reject The Architect Agreements And (B) Granting Related Relief* (the "Motion")¹:

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Motion

- 1. Based upon the deeds of record, SCCC is the owner of certain property located at 1401 S. Christopher Columbus Boulevard, Philadelphia, Pennsylvania 19148 and known as Philadelphia Office of Property Assessment Account Nos. 885900010 and 885900020 (the "Property").
- 2. Prior to the Petition Date, BLTA, as a subcontractor, was retained by U.S. Construction, Inc. ("<u>USC</u>"), as a general contractor for architectural design and construction administration services and to assist USC in the building and development of a waterfront, mixed-use residential complex on the Property (the "<u>Project</u>").
- 3. In particular, on or about September 3, 2019, BLTA entered into that certain Architect Agreement with USC (identified as BLTa Project # 1915000) and, on or about May 17, 2021, BLTA entered into a second Architect Agreement with USC (identified as BLTa Project # 1915200) (collectively, the "Architect Agreements"). True and correct copies of the Architect Agreements are attached hereto as Exhibit 1.
- 4. Pursuant to the Architect Agreements, BLTA was obligated to prepare drawings, specifications, and other contractual documents, as well as to provide construction administration services during the erection, construction, alteration, and completion of the Project.
- 5. Seven days before the Petition Date, on May 31, 2022, SCCC entered into two Assignment Agreements with USC (the "Assignment Agreements"), pursuant to which USC assigned its rights under both Architect Agreements with BLTA to SCCC. True and correct copies of the Assignment Agreements are attached hereto as **Exhibit 2**.
- 6. Under the Assignment Agreements, SCCC agreed, among other things, that BLTA completed \$737,444.00 in services for Phases I and II of the Project that remained unpaid, and further agreed to pay BLTA for these services on or before June 7, 2022.
- 7. SCCC failed to fully pay BLTA for the work, labor and services provided by BLTA on or before June 7, 2022.

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Case 22-14539-JKS Doc 811-3 Filed 10/03/22 Entered 10/03/22 14:30:13 Desc Certification of Michael Prifti Page 3 of 3

8. As a result, BLTA, on June 21, 2022, pursuant to applicable state law, filed its Mechanics' Lien Claim with the Court of Common Pleas for Philadelphia County, Pennsylvania at Case ID No. 2206M0017 (the "Mechanics' Lien Claim") as a matter of public record.

9. On July 15, 2022, BLTA served notice of the lien upon SCCC, thereby perfecting its lien pursuant to 49 Pa. Stat. § 1502(a).

10. BLTA last performed work on the Project on or about January 31, 2022 and to BLTA's knowledge, the Project has remained dormant since that date.

11. The permits and related approvals authorizing the Project to be developed expire on December 31, 2022.

I certify that the above statements made by me are true and correct to the best of my knowledge. I am aware that if any of the foregoing statements made by me are incorrect, I am subject to punishment.

Dated: 10/3, 2022

Michael Prifti